

**SECRET**

Approved For Release : CIA-RDP61-00549R000100160002-6

IAC-D-57/89  
15 January 1958

Post-Mortem on NIE 64-58:

The Federation of Malaya,

dated 14 January 1958

Findings

1. The major problems encountered in the preparation of this estimate concerned the prospects for political stability, which rest primarily on developments in Malay-Chinese relations. We need more information on the relationships between the leaders of the United Malay National Organization and the Malayan Chinese Association, and on the situation within the Chinese community with respect to the Malayan Chinese Association and the development of a Chinese opposition party.
2. There are many indications that Communist subversion and influence, particularly among Malay opposition parties and within the Chinese community, are increasing. However, we need fuller information on the extent and nature of this influence.
3. Economic data, concerning the Federation as an independent economic unit, are inadequate for firm analysis. This is due primarily to the fact that prior to independence Malaya and Singapore were developed as an economic unit and treated as such in British reporting. In particular, we found it difficult to estimate with assurance the economic consequences of reduced economic ties between the Federation and Singapore. This gap will probably be closed as the Federation develops its own statistical and economic analysis services.

Approved For Release : CIA-RDP61-00549R000100160002-6

**SECRET**